

VERMILION PARISH POLICE JURY

Abbeville, Louisiana

Financial Report

Year Ended December 31, 2012

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INDEPENDENT AUDITORS' REPORT

To the Members of the Police Jury
Vermilion Parish
Abbeville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Vermilion Parish Police Jury, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for some of the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net position, revenues, and expenses of the government-wide financial statements has not been determined.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Vermilion Parish Police Jury, as of December 31, 2012, or the changes in financial position thereof for the year then ended.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vermilion Parish Police Jury, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 29 to the financial statements, in 2012 the Vermilion Parish Police Jury adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, on pages 51 through 58, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Vermilion Parish Police Jury has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vermilion Parish Police Jury's basic financial statements. The other supplementary information on pages 61 through 77 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards (pages 83-84) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements.

The schedule of expenditures of federal awards (pages 83-84) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 5, 2013 on our consideration of the Vermilion Parish Police Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Vermilion Parish Police Jury's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
June 5, 2013

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Statement of Net Position
December 31, 2012

	Primary Governmental Activities	Component Units Criminal Court Fund	Tourist Commission
ASSETS			
Cash and interest-bearing deposits	\$ 4,709,460	\$ 44,755	\$ 73,501
Investments	44,812,528	-	111,072
Receivables, net	417,451	-	100
Due from component unit	630	-	-
Due from other governmental units	8,654,794	187,462	22,546
Bond issue cost, net	12,894	-	-
Prepaid expenses	78,751	-	-
Capital assets, net	<u>81,524,176</u>	<u>-</u>	<u>-</u>
Total assets	<u>140,210,684</u>	<u>232,217</u>	<u>207,219</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Accounts and other payables	1,957,328	25,983	13,024
Contracts payable	416,825	-	-
Retainage payable	44,860	-	-
Due to primary government	-	630	-
Due to other governments	137,010	-	-
Deferred revenue	1,331,702	-	-
Accrued interest payable	35,287	-	-
Long-term liabilities			
Due within one year	350,000	-	-
Due in more than one year	<u>5,294,165</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>9,567,177</u>	<u>26,613</u>	<u>13,024</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	79,044,851	-	-
Restricted for:			
Debt service	1,724,545	-	-
Other purposes	32,625,119	-	-
Unrestricted	<u>17,248,992</u>	<u>205,604</u>	<u>194,195</u>
Total net position	<u>\$ 130,643,507</u>	<u>\$ 205,604</u>	<u>\$ 194,195</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Statement of Activities
For the Year Ended December 31, 2012

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units Criminal Court Fund	Tourist Commission
Primary government:							
Governmental activities:							
General government	\$ 3,640,857	\$ 512	\$ -	\$ -	\$ (3,640,345)	\$ -	\$ -
Public works	13,634,251	-	2,962,712	4,401,382	(6,270,157)	-	-
Public safety	3,396,527	666,520	21,265	215,982	(2,492,760)	-	-
Sanitation and waste disposal	5,563,867	552,452	14,844	-	(4,996,571)	-	-
Health and welfare	1,764,403	30,540	113,104	-	(1,620,759)	-	-
Economic development	76,522	-	-	-	(76,522)	-	-
Culture and recreation	109,087	-	-	-	(109,087)	-	-
Interest on long-term debt	110,622	-	-	-	(110,622)	-	-
Total governmental activities	<u>\$ 28,296,136</u>	<u>\$ 1,250,024</u>	<u>\$ 3,111,925</u>	<u>\$ 4,617,364</u>	<u>\$ (19,316,823)</u>	<u>\$ -</u>	<u>\$ -</u>
Component units:							
Criminal Court Fund	\$ 837,634	\$ 268,392	\$ 212,504	\$ -	\$ -	\$ (356,738)	\$ -
Tourist Commission	169,524	-	-	-	-	-	(169,524)
Total component units	<u>\$ 1,007,158</u>	<u>\$ 268,392</u>	<u>\$ 212,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (356,738)</u>	<u>\$ (169,524)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					5,145,302	-	-
Property taxes, levied for debt service					701,426	-	-
Sales and use taxes, levied for general purposes					11,845,665	-	144,729
Severance tax					951,513	-	-
Franchise tax					132,998	-	-
Beer taxes					7,826	-	-
Grants and contributions not restricted to specific programs -							
State revenue sharing					388,730	-	-
Fire insurance rebate					207,426	-	-
Occupational licenses and other permits					612,650	-	-
Interest and investment earnings					331,421	38	1,572
Miscellaneous					224,433	-	4,937
Appropriation of capital expenditures to other governmental entities					(2,644,099)	-	-
Transfers					(392,931)	350,000	42,931
Total general revenues and transfers					<u>17,512,360</u>	<u>350,038</u>	<u>194,169</u>
Change in net position					(1,804,463)	(6,700)	24,645
Net position January 01, 2012					<u>132,447,970</u>	<u>212,304</u>	<u>169,550</u>
Net position December 31, 2012					<u>\$ 130,643,507</u>	<u>\$ 205,604</u>	<u>\$ 194,195</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

1976 Sales Tax Fund

To account for funds derived from a 1976 one-half cent sales and use tax dedicated for the maintenance of solid waste disposal, fire protection, mosquito control and public works facilities.

1978 Sales Tax Fund

To account for funds derived from a 1978 special one-half cent sales and use tax dedicated for the maintenance of law enforcement facilities, health unit facilities, cooperative extension service facilities, other public buildings and public roads.

1994 Sales Tax Fund

To account for funds derived from a 1994 special one-half cent sales and use tax dedicated for the construction, acquisition, improvement, maintenance and operation of solid waste collection and disposal facilities.

Royalty Road Fund

To account for funds received from the State of Louisiana Royalty Road Fund. These funds are derived from one-tenth of the royalties from mineral leases on state owned lands where production occurred. Expenditures may be made for any lawful purpose.

Parishwide Public Improvement Maintenance Fund

To account for expenditures in connection with maintenance and upkeep of parish roads, bridges, and ferries. Major means of financing is provided by ad valorem taxes, state revenue sharing, the State of Louisiana Parish Transportation fund and transfers from other revenue sources of the Police Jury.

CAPITAL PROJECTS FUND

Project Account Fund

To account for costs associated with protecting Vermilion Parish citizens from the impact of coastal hazards associated with natural disasters. These costs are being paid through a Hazard Mitigation grant.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Balance Sheet
Governmental Funds
December 31, 2012

	General	1976 Sales Tax Fund	1978 Sales Tax Fund	1994 Sales Tax Fund
ASSETS				
Cash and interest-bearing deposits	\$ 758,164	\$ 505,010	\$ 372,930	\$ 50,555
Investments	218,478	10,000,000	9,000,000	11,100,000
Accounts receivable	-	-	-	25,899
Ad valorem tax receivable, net	34,629	-	-	-
Accrued interest receivable	-	12,537	4,235	21,597
Due from other funds	206,241	1,838	13,159	-
Due from component unit	111	-	-	-
Due from other governmental units	1,136,150	654,334	654,334	669,178
Other receivables	44,942	-	-	-
Prepaid expenses	-	1,345	-	11,368
Total assets	<u>\$ 2,398,715</u>	<u>\$ 11,175,064</u>	<u>\$ 10,044,658</u>	<u>\$ 11,878,597</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 106,047	\$ 29,983	\$ 23,596	\$ 203,170
Contracts payable	-	-	59,953	-
Retainage payable	-	-	-	-
Accrued liabilities	109,625	9,821	-	61,683
Due to other funds	16,381	3,499	852	67,787
Due to other governmental units	-	-	-	-
Other liabilities	393,675	-	-	-
Deferred revenue	244,930	-	-	12,856
Total liabilities	<u>870,658</u>	<u>43,303</u>	<u>84,401</u>	<u>345,496</u>
Fund balances -				
Nonspendable	-	1,345	-	11,368
Restricted	-	11,130,416	9,960,257	11,521,733
Assigned	13,449	-	-	-
Unassigned	<u>1,514,608</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,528,057</u>	<u>11,131,761</u>	<u>9,960,257</u>	<u>11,533,101</u>
Total liabilities and fund balances	<u>\$ 2,398,715</u>	<u>\$ 11,175,064</u>	<u>\$ 10,044,658</u>	<u>\$ 11,878,597</u>

The accompanying notes are an integral part of the basic financial statements.

Royalty Road Fund	Parishwide Public Improvement Maintenance Fund	Project Account Fund	Other Governmental Funds	Total (Memorandum Only)
\$ 1,062,805	\$ 546,362	\$ 574,480	\$ 839,154	\$ 4,709,460
8,300,000	-	-	6,194,050	44,812,528
-	-	-	110,742	136,641
-	31,362	-	109,997	175,988
7,419	-	-	1,216	47,004
84,830	41,301	-	-	347,369
519	-	-	-	630
536,508	1,031,360	348,081	3,624,849	8,654,794
12,876	-	-	-	57,818
57,768	7,768	-	502	78,751
<u>\$ 10,062,725</u>	<u>\$ 1,658,153</u>	<u>\$ 922,561</u>	<u>\$ 10,880,510</u>	<u>\$ 59,020,983</u>

\$ 271,317	\$ 84,888	\$ 169,471	\$ 371,882	\$ 1,260,354
163,095	-	152,427	41,350	416,825
-	-	28,741	16,119	44,860
-	71,024	-	51,146	303,299
-	37,299	221,070	481	347,369
-	-	137,010	-	137,010
-	-	-	-	393,675
-	52,386	574,447	447,083	1,331,702
<u>434,412</u>	<u>245,597</u>	<u>1,283,166</u>	<u>928,061</u>	<u>4,235,094</u>
57,768	7,768	-	502	78,751
9,570,545	1,404,788	-	9,951,947	53,539,686
-	-	-	-	13,449
-	-	(360,605)	-	1,154,003
<u>9,628,313</u>	<u>1,412,556</u>	<u>(360,605)</u>	<u>9,952,449</u>	<u>54,785,889</u>
<u>\$ 10,062,725</u>	<u>\$ 1,658,153</u>	<u>\$ 922,561</u>	<u>\$ 10,880,510</u>	<u>\$ 59,020,983</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2012

Total fund balances for governmental funds at December 31, 2012		\$ 54,785,889
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Police Jury:		
Land and construction in progress	2,991,165	
Buildings and improvements, net of \$9,813,934 accumulated depreciation	9,521,910	
Furniture and equipment, net of \$17,295,423 accumulated depreciation	5,680,644	
Road surfaces, net of \$79,997,974 accumulated depreciation	54,349,049	
Bridges and drainage improvements, net of \$3,948,292 accumulated depreciation	<u>8,981,408</u>	81,524,176
Long-term liabilities at December 31, 2012:		
Bonds payable	(2,479,325)	
Landfill postclosure cost	(2,398,876)	
Net OPEB obligation payable	(765,964)	
Accrued interest payable	<u>(35,287)</u>	(5,679,452)
Bond issue costs which are reported as expenditures in the year incurred in the governmental funds are deferred and amortized in the statement of activities. Those costs consist of:		
Bond issue costs, net of \$81,890 accumulated amortization		<u>12,894</u>
Net position at December 31, 2012:		<u>\$ 130,643,507</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended December 31, 2012

	General	1976 Sales Tax Fund	1978 Sales Tax Fund	1994 Sales Tax Fund
Revenues:				
Taxes -				
Ad valorem	\$ 1,091,310	\$ -	\$ -	\$ -
Sales and use	-	3,947,833	3,947,833	3,947,833
Licenses and permits	592,150	-	-	20,500
Intergovernmental revenues -				
Federal grants	272,222	-	-	14,844
State funds -				
State revenue sharing	129,615	-	-	-
Other	1,250,145	-	-	-
Fees, charges and commissions	367,859	-	-	552,452
Interest income	2,257	54,333	64,017	101,245
Miscellaneous	287,633	14,050	142	32,850
Total revenues	<u>3,993,191</u>	<u>4,016,216</u>	<u>4,011,992</u>	<u>4,669,724</u>
Expenditures:				
Current -				
General government:				
Legislative	338,778	-	-	-
Judicial	1,043,076	-	-	-
Elections	85,489	-	-	-
Finance and administration	589,162	64,053	64,095	65,379
Other	605,430	-	-	-
Public works	337,992	240,305	-	-
Public safety	984,774	401,034	488,201	-
Sanitation, sewerage, and waste disposal	-	-	-	4,842,909
Health and welfare	173,960	847,538	-	-
Economic development and assistance	76,522	-	-	-
Culture and recreation	360	-	102,403	-
Capital outlay	110,491	523,063	155,090	1,623,226
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>4,346,034</u>	<u>2,075,993</u>	<u>809,789</u>	<u>6,531,514</u>
Excess (deficiency) of revenues over expenditures	<u>(352,843)</u>	<u>1,940,223</u>	<u>3,202,203</u>	<u>(1,861,790)</u>
Other financing sources (uses):				
Transfers in	1,500,293	-	-	2,500,000
Transfers out - component unit	(392,931)	-	-	-
Transfers out	-	(2,500,000)	(4,000,000)	-
Total other financing sources (uses)	<u>1,107,362</u>	<u>(2,500,000)</u>	<u>(4,000,000)</u>	<u>2,500,000</u>
Net change in fund balances	<u>754,519</u>	<u>(559,777)</u>	<u>(797,797)</u>	<u>638,210</u>
Fund balance, beginning	<u>773,538</u>	<u>11,691,538</u>	<u>10,758,054</u>	<u>10,894,891</u>
Fund balances, ending	<u>\$ 1,528,057</u>	<u>\$ 11,131,761</u>	<u>\$ 9,960,257</u>	<u>\$ 11,533,101</u>

The accompanying notes are an integral part of the basic financial statements.

Royalty Road Fund	Parishwide Public Improvement Maintenance Fund	Project Account Fund	Other Governmental Funds	Total (Memorandum Only)
\$ -	\$1,067,631	\$ -	\$ 3,687,787	\$ 5,846,728
-	-	-	2,166	11,845,665
-	-	-	-	612,650
-	2,402	1,251,394	3,406,824	4,947,686
-	97,032	-	162,083	388,730
2,034,462	497,094	-	-	3,781,701
-	-	-	697,060	1,617,371
63,373	265	-	45,931	331,421
1,724	24,776	-	29,926	391,101
<u>2,099,559</u>	<u>1,689,200</u>	<u>1,251,394</u>	<u>8,031,777</u>	<u>29,763,053</u>
-	-	-	-	338,778
-	-	-	-	1,043,076
-	-	-	-	85,489
169,783	94,581	-	267,626	1,314,679
-	-	-	-	605,430
609,929	4,645,232	855,940	3,445,734	10,135,132
-	-	-	1,030,893	2,904,902
-	-	-	-	4,842,909
-	-	-	648,812	1,670,310
-	-	-	-	76,522
-	-	-	2,166	104,929
452,343	334,936	837,137	771,918	4,808,204
-	-	-	340,000	340,000
-	-	-	134,358	134,358
<u>1,232,055</u>	<u>5,074,749</u>	<u>1,693,077</u>	<u>6,641,507</u>	<u>28,404,718</u>
<u>867,504</u>	<u>(3,385,549)</u>	<u>(441,683)</u>	<u>1,390,270</u>	<u>1,358,335</u>
650,129	3,907,585	-	72,104	8,630,111
-	-	-	-	(392,931)
(1,000,000)	(93,420)	-	(1,036,691)	(8,630,111)
(349,871)	3,814,165	-	(964,587)	(392,931)
517,633	428,616	(441,683)	425,683	965,404
<u>9,110,680</u>	<u>983,940</u>	<u>81,078</u>	<u>9,526,766</u>	<u>53,820,485</u>
<u>\$ 9,628,313</u>	<u>\$1,412,556</u>	<u>\$ (360,605)</u>	<u>\$ 9,952,449</u>	<u>\$ 54,785,889</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2012

Total net changes in fund balances at December 31, 2012 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 965,404
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The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances	4,808,204	
Depreciation expense for the Year Ended December 31, 2012	<u>(4,713,058)</u>	95,146

The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

340,000

Governmental funds report the effect of issuance cost, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Bond issue costs amortized	(1,864)
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Less: Change in net OPEB obligation at December 31, 2012	(326,034)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. These expenditures consist of:

Increase in landfill postclosure costs	(240,525)	
Decrease in accrued interest payable	<u>3,762</u>	(236,763)

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and appropriations) is to decrease net position.

(2,640,352)

Total changes in net position at December 31, 2012 per Statement of Activities	<u>\$ (1,804,463)</u>
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The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Vermilion Parish Police Jury (Police Jury) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The land area of Vermilion Parish is 1173.9 square miles and has a population of 57,999 people. The Police Jury currently employs approximately 285 people.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales and use tax, beer and alcoholic beverage permits, occupational license, state revenue sharing and various other state and federal grants.

A. Financial Reporting Entity

The financial reporting entity should consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. These financial statements include the primary government and two component units as follows:

Primary government:

Vermilion Parish Police Jury is the governing authority for Vermilion Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by 14 jurors representing the various districts within the parish. The jurors serve four-year terms that expire when the first meeting is held in January of 2016.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Individual component units:

Blended component unit -

Communication District – The voters of Vermilion Parish approved the establishment of a 911 Communication District in 1993. The District is funded primarily by fees added to customers' telephone bills. The Police Jury is currently the commissioner of the District. Although it is legally separate from the Police Jury, the District is reported as if it were part of the primary government because its governing body is the same as the governing body of the Police Jury.

Discretely presented component units -

The component unit column in the combined financial statements includes the financial data of some of the Police Jury's component units. They are reported in a separate column to emphasize that they are legally separate from the Police Jury. Other political subdivisions, as detailed below, which would be required to be included, based on current standards, issue separate financial statements, which have not been included in these financial statements, and can be obtained from the individual entities. Those entities are as follows:

Consolidated Gravity Drainage District No. 1
Consolidated Gravity Drainage District No. 2-A
Coulee Baton Gravity Drainage District No. 1
Coulee Des Jonc Gravity Drainage District
Coulee Kinney Gravity Drainage District
Gravity Drainage District No. 2
Gueydan Sub-Drainage District No. 5
Isle Maronne Gravity Drainage District No. 1
Prairie Gregg Gravity Drainage District No. 2
Seventh Ward Gravity Drainage District No. 2
Waterworks District No. 1
Pecan Island Waterworks District No. 3
Parish Library
Fire Protection District No. 7
Hospital Service District No. 1
Hospital Service District No. 2
Hospital Service District No. 3
Southeast Waterworks District No. 2
Pecan Island Fire District No. 16

The component unit column in the Statement of Net Assets and Statement of Activities includes the financial data of two of the Police Jury's component units. The component units are reported in a separate column to emphasize that it is legally separate from the Police Jury and is described below:

- Fifteenth Judicial District Criminal Court - The Criminal Court Fund accounts for the operations of the district court. Funding is provided by fines, forfeits and transfers from the Police Jury. Due to the nature and significance of the relationship between the district court and the Police Jury, the court is considered a component unit.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

- Vermilion Parish Tourist Commission - The Vermilion Parish Tourist Commission was established in 1992 to encourage the development of tourism in Vermilion Parish. There are presently nine commission members who are all appointed by the Police Jury. The primary source of revenue is a 5% hotel/motel tax levied upon the occupancy of hotel and motel rooms and overnight camping facilities. Of the 5% hotel/motel tax 2% shall be dedicated for youth athletic programs throughout the parish, distributed based upon the number of youth participating in athletic programs on a per capita basis, and shall be used to purchase insurance, uniforms, and athletic equipment and supplies.

Other political subdivisions, which would be required to be included, based on current standards, issue separate financial statements, which have not been included in these financial statements. The exclusion of these component units is a departure from generally accepted accounting principles.

In addition, numerous other authorities and governmental entities established within Vermilion Parish have been excluded because control and/or financial responsibility by the Police Jury is considered remote or due to the fact that such entities are governed by separately elected governmental officials. In particular, the three hospital districts in the Parish are considered fiscally independent special purpose governments as they meet the requirements specified in Governmental Accounting Standard Board Statement No. 14. Those requirements are that they have the authority to (1) determine their budget without the Police Jury being able to approve or modify it; (2) levy taxes or set rates or charges without approval by the Police Jury; and (3) issue bonded debt without the approval of the Police Jury, other than ministerial or compliance approval.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Police Jury has no business-type activities. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Police Jury's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the Police Jury are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Police Jury's various funds are classified as governmental funds. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Police Jury or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Police Jury are described below:

Governmental Funds -

General Fund -

The General Fund is the general operating fund of the Police Jury. It is used to account for all financial resources except those required to be accounted for in another fund.

1976 Sales Tax Fund -

The 1976 Sales Tax Fund is used to account for funds derived from a 1976 special one-half cent sales and use tax dedicated for the maintenance of solid waste disposal, fire protection, mosquito control and public works facilities.

1978 Sales Tax Fund -

The 1978 Sales Tax Fund is used to account for funds derived from a 1978 special one-half cent sales and use tax dedicated for the maintenance of law enforcement facilities, health unit facilities, cooperative extension service facilities, other public buildings and public roads.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

1994 Sales Tax Fund -

The 1994 Sales Tax Fund is used to account for funds derived from a 1994 special one-half cent sales and use tax dedicated for the construction, acquisition, improvements, maintenance and operation of solid waste collection and disposal facilities.

Royalty Road Fund -

Royalty Road Fund is used to account for funds received from the State of Louisiana Royalty Road Fund. These funds are derived from one-tenth of the royalties from mineral leases on state owned lands where production occurred. Expenditures may be made for any lawful purpose.

Parish-wide Public Improvement Maintenance Fund -

The Parish-wide Public Improvement Maintenance Fund is used to account for expenditures in connection with maintenance and upkeep of parish roads, bridges, and ferries. Major means of financing is provided by ad valorem taxes, state revenue sharing, the State of Louisiana Parish Transportation fund and transfers from other revenue sources of the Police Jury.

Project Account Fund –

The Project Account Fund is used to account for costs associated with protecting Vermilion Parish citizens from the impact of coastal hazards associated with natural disasters. These costs are being paid through a Hazard Mitigation grant.

Additionally, the Police Jury reports the following fund types:

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs.

Debt Service Funds

Debt service funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds

Capital projects funds account for financial resources received and used to acquire, construct, or improve capital facilities not reported in other governmental funds.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Government-wide fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the Police Jury's policy to use restricted resources first, then unrestricted resources as they are needed.

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Police Jury's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Police Jury's general revenues.

Allocation of indirect expenses

The Police Jury reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Deprecation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Revenues

Federal and state entitlements (unrestricted grants-in-aid, which include state revenue sharing) are recorded when available and measurable. Expenditure-driven federal and state grants, which are restricted as to the purpose of the expenditure, are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on November 15 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received by the Vermilion Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations. Any taxes collected after February are recorded as deferred revenue.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Interest income on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Police Jury's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the members of the Police Jury.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Police Jury.

Under state law, the Police Jury may invest in United States bonds, treasury notes, or certificates. Investments are short term deposits and are stated at cost.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Police Jury maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to January 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and building improvements	40 years
Furniture and equipment	5 years
Library books	6 years
Infrastructure	40-50 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the bonds payable and certificates of indebtedness.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

Employees of the Police Jury earn from one to four weeks of vacation leave each year, depending on length of service. Vacation leave cannot accumulate and carryover, unless the employee has been denied all or part of his earned vacation leave due to an emergency. In this case, the employee can request in writing to the Parish Administrator to carry over his remaining vacation leave and if approved, the employee must take his carried over vacation leave within 45 days. Upon termination, employees are paid for any unused vacation leave accrued during the year.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Employees of the Police Jury accrue one day of sick leave each month. A total of 148 days can be accumulated. Upon termination, employees are paid for any unused sick leave. However, if an employee leaves under their own free will, all accumulated sick leave lapses.

Due to uncertainty of actual amounts which will be paid for vacation and sick leave, no accruals have been made at December 31, 2012 for such absences.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. At December 31, 2012, the Police Jury reported \$34,349,664 of restricted net position, of which \$32,625,119 is restricted by enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund statements, fund balances are classified as follows in the governmental fund financial statements.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Police Jurors. The Jurors are the highest level of decision-making authority for the Vermilion Parish Police Jury. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Police Jury's adopted policy, only jurors or the Police Jury's finance committee may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

As of December 31, 2012, fund balances are composed of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
Major Funds					
General					
15th Judicial District	\$ -	\$ -	\$ 13,449	\$ -	\$ 13,449
Other	-	-	-	1,514,608	1,514,608
1976 Sales Tax Fund					
Prepaid items	1,345	-	-	-	1,345
Public Works	-	11,130,416	-	-	11,130,416
1978 Sales Tax Fund					
Public Works	-	9,960,257	-	-	9,960,257
1994 Sales Tax Fund					
Prepaid items	11,368	-	-	-	11,368
Solid Waste - Collection and Disposal	-	11,521,733	-	-	11,521,733
Royalty Road					
Prepaid items	57,768	-	-	-	57,768
Other	-	9,570,545	-	-	9,570,545
Parishwide					
Prepaid items	7,768	-	-	-	7,768
Public Improvement Maintenance	-	1,404,788	-	-	1,404,788
Project Account					
Hazard Mitigation	-	-	-	(360,605)	(360,605)
Nonmajor Funds	<u>502</u>	<u>9,951,947</u>	<u>-</u>	<u>-</u>	<u>9,952,449</u>
Totals	<u>\$ 78,751</u>	<u>\$ 53,539,686</u>	<u>\$ 13,449</u>	<u>\$ 1,154,003</u>	<u>\$ 54,785,889</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Police Jury considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Police Jury considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the jurors or the finance committee has provided otherwise in its commitment or assignment actions.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

E. Revenue Restrictions

The Police Jury has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Ad valorem taxes	See Note 2
Sales taxes	See Note 3

The Police Jury uses unrestricted resources only when restricted resources are fully depleted.

F. Capitalization of Interest Expense

It is the policy of the Police Jury to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At December 31, 2012, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Vermilion Parish and are collected by the Sheriff. The taxes are remitted to the Police Jury net of deductions for Pension Fund contributions.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

For the year ended December 31, 2012, taxes of 82.16 mills were levied on property with assessed valuations totaling \$1,580,196,960 and were dedicated as follows:

Parish wide taxes:

Parish tax (except Abbeville and Kaplan)	4.05 mills
Parish tax (Abbeville and Kaplan)	2.02 mills
Parishwide public improvement	3.38 mills
Health unit	2.56 mills
Library Bonds	2.23 mills

District taxes:

Road District No. 1 - Maintenance	6.80 mills
Sub Road District No. 1 of 2 - Maintenance	5.06 mills
Sub Road District No. 2 of 2 - Maintenance	6.50 mills
Sub Road District No. 3 of 2 - Maintenance	5.00 mills
Sub Road District No. 4 of 2 - Maintenance	8.61 mills
Sub Road District No. 5 of 2 - Maintenance	6.00 mills
Road District No. 3 - Maintenance	6.10 mills
Road District No. 4-A - Maintenance	7.47 mills
Road District No. 6	6.57 mills
Road District No. 7	8.62 mills
Ward 8 Cemetery	<u>1.19</u> mills
Total	<u>82.16</u> mills

Total taxes levied were \$5,840,583. Taxes receivable at December 31, 2012 were \$5,158,985 of which \$4,866,186 was due from Vermillion Parish Sheriff Department (See Note 6) and the allowance for uncollectibles was \$116,812. Deferred revenue of \$292,799 (See Note 9) was recorded at December 31, 2012 for taxes collected after the period of availability.

(3) Sales and Use Tax

The Police Jury has levied three one-half cent sales and use taxes in the years 1976, 1978, and 1994. The taxes are collected by the Vermillion Parish School Board and are remitted to the Police Jury monthly, net of any collection expenses. The proceeds of these taxes, as well as other designated funds are dedicated as follows:

1976 one-half cent sales and use tax

For year ended December 31, 2012, proceeds of this tax totaled \$3,947,833 and are dedicated for the purpose of constructing, acquiring, improving and/or maintaining garbage and waste disposal facilities; constructing, acquiring, improving and/or maintaining mosquito control and abatement facilities; and purchasing and acquiring the necessary land, equipment and furnishing for any of the aforesaid public works improvements and facilities; or for any one or more of said purposes.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

1978 one-half cent sales and use tax

For year ended December 31, 2012, proceeds of this tax totaled \$3,947,833 and are dedicated for the purpose of providing additional revenues for constructing, operating, improving and maintaining public buildings and structures, including, but not limited to, public buildings for the housing of the Parish jail and law enforcement facilities, health unit facilities, Cooperative Extension Service facilities; and constructing, improving and maintaining the road system of the Parish.

1994 one-half cent sales and use tax

For year ended December 31, 2012, proceeds of this tax totaled \$3,947,833 and are dedicated for the purpose of supplementing other sales tax revenues being collected in the Parish; and constructing, acquiring, improving, maintaining and operating solid waste collection and disposal facilities in the Parish, including the cost of a recycling program.

(4) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the Police Jury may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Police Jury may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2012, the Jury had cash, interest-bearing deposits and investments (book balances) totaling \$49,751,316 as follows:

Demand deposits	\$ 4,827,716
Time deposits	<u>44,923,600</u>
 Total	 <u>\$49,751,316</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Police Jury's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2012 were secured as follows:

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Bank balances \$ 50,064,960

At December 31, 2012 the deposits are secured as follows:

Federal deposit insurance \$ 1,809,129

Uninsured and collateral held by the pledging bank,
not in the Police Jury's name 48,255,831

Total \$ 50,064,960

(5) Receivables

Receivables at December 31, 2012 of \$417,551 consist of the following:

Fund	Accounts Receivable	Ad Valorem Taxes, net	Interest Receivable	Other	Total
General	\$ -	\$ 34,629	\$ -	\$ 44,942	\$ 79,571
1976 Sales Tax Fund	-	-	12,537	-	12,537
1978 Sales Tax Fund	-	-	4,235	-	4,235
1994 Sales Tax Fund	25,899	-	21,597	-	47,496
Royalty Road Fund	-	-	7,419	12,876	20,295
Parishwide Public Improvement					
Maintenance Fund	-	31,362	-	-	31,362
Nonmajor Funds	110,742	109,997	1,216	-	221,955
Component units	-	-	-	100	100
Total	<u>\$ 136,641</u>	<u>\$ 175,988</u>	<u>\$ 47,004</u>	<u>\$ 57,918</u>	<u>\$ 417,551</u>

Ad valorem taxes receivables are reported net of uncollectible amounts. Total uncollectible amounts are as follows:

Parishwide Public Improvement Maintenance Fund	\$ 21,024
Nonmajor Funds	<u>72,986</u>
Total uncollectibles	<u>\$ 116,811</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Due from Other Governmental Units

Amounts due from other governmental units at December 31, 2012 consisted of the following:

Primary Government:

Vermilion Parish School Board -	
Sales and use taxes collected but not remitted	\$ 1,963,002
Vermilion Parish Sheriff's Department -	
Ad valorem taxes	4,866,186
Ad valorem taxes - PUP settlements	209,441
State revenue sharing	251,967
Liquor, and occupational license fees	13,179
Other local government agencies	18,090
Department of Interior - grant funds	13,035
State of Louisiana -	
Grants	719,103
Other	600,791
	<u>\$ 8,654,794</u>

Component Units:

Vermilion Parish School Board -	
Sales and use tax collected but not remitted	\$ 22,546
Local government agencies	187,462
	<u>\$ 210,008</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	Balance 01/01/12	Additions	Deletions	Balance 12/31/12
Governmental activities:				
Capital assets not being depreciated:				
Police Jury:				
Land	\$ 1,581,791	\$ 311,413	\$ -	\$ 1,893,204
Construction in progress	<u>3,767,114</u>	<u>823,127</u>	<u>3,492,280</u>	<u>1,097,961</u>
Total capital assets, not being depreciated	<u>5,348,905</u>	<u>1,134,540</u>	<u>3,492,280</u>	<u>2,991,165</u>
Capital assets being depreciated				
Police Jury:				
Building and improvements	18,762,297	573,547	-	19,335,844
Furniture and equipment	20,544,130	2,431,937	-	22,976,067
Infrastructure:				
Road surfaces	134,347,023	-	-	134,347,023
Bridges and drainage improvements	<u>11,409,591</u>	<u>1,520,109</u>	<u>-</u>	<u>12,929,700</u>
Total capital assets, being depreciated	<u>185,063,041</u>	<u>4,525,593</u>	<u>-</u>	<u>189,588,634</u>
Less accumulated depreciation				
Police Jury:				
Building and improvements	9,390,060	423,874	-	9,813,934
Furniture and equipment	16,031,453	1,263,970	-	17,295,423
Infrastructure:				
Road surfaces	77,246,781	2,751,193	-	79,997,974
Bridges and drainage improvements	<u>3,674,271</u>	<u>274,021</u>	<u>-</u>	<u>3,948,292</u>
Total accumulated depreciation	<u>106,342,565</u>	<u>4,713,058</u>	<u>-</u>	<u>111,055,623</u>
Total capital assets being depreciated, net	<u>78,720,476</u>	<u>(187,465)</u>	<u>-</u>	<u>78,533,011</u>
Governmental activities, capital assets, net	<u>\$ 84,069,381</u>	<u>\$ 947,075</u>	<u>\$ 3,492,280</u>	<u>\$ 81,524,176</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 145,409
Public safety	462,223
Public works	3,588,261
Health and welfare	119,311
Sanitation, sewerage, and waste disposal	396,388
Culture and recreation	1,466
Total depreciation expense	<u>\$4,713,058</u>

(8) Accounts and Other Payables

The accounts, salaries, and other payables consisted of the following at December 31, 2012:

Fund	Accounts Payable	Salaries and Payroll Taxes Payable	Pension Payable	Other Payables	Total
General	\$ 106,047	\$ 109,625	\$ -	\$ 393,675	\$ 609,347
1976 Sales Tax Fund	29,983	9,821	-	-	39,804
1978 Sales Tax Fund	23,596	-	-	-	23,596
1994 Sales Tax Fund	203,170	61,683	-	-	264,853
Royalty Road Fund	271,317	-	-	-	271,317
Parishwide Public Improvement					
Maintenance Fund	84,888	71,024	-	-	155,912
Project Account Fund	169,471	-	-	-	169,471
Nonmajor Funds	371,882	28,275	22,871	-	423,028
Component units	19,499	17,757	1,751	-	39,007
Total	<u>\$ 1,279,853</u>	<u>\$ 298,185</u>	<u>\$ 24,622</u>	<u>\$ 393,675</u>	<u>\$1,996,335</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Deferred Revenue

Deferred revenue consisted of the following at December 31, 2012:

Ad valorem taxes	\$ 292,799
Unearned Garbage fees	12,856
Unearned lease payments	187,500
Unearned revenue - Hazard Mitigation projects	574,447
Unearned revenue - CDBG projects	264,100
	<u>\$ 1,331,702</u>

(10) Long-Term Liabilities

The following is a summary of debt transactions of the Police Jury for the year ended December 31, 2012:

	Balance 01/01/12	Additions	Deletions	Balance 12/31/12	Due Within One Year
General Obligation					
Bonds	\$2,819,325	\$ -	\$ 340,000	\$ 2,479,325	\$ 350,000
Landfill postclosure costs	2,158,351	240,525	-	2,398,876	
Net OPEB obligation	439,930	545,172	219,138	765,964	-
	<u>\$5,417,606</u>	<u>\$ 785,697</u>	<u>\$ 559,138</u>	<u>\$ 5,644,165</u>	<u>\$ 350,000</u>

Long-term debt payable at December 31, 2012 is composed of the following:

General Obligation

\$3,810,000 General Obligation Refunding Bonds, Series 2005, dated April 1, 2005, for the purpose of purchasing U.S. Government Securities to defease the Parish's outstanding General Obligation Bonds, Series 1999 dated December 1, 1999. The principal is due in annual installments of \$20,000 to \$435,000 through March 1, 2019 at interest rates of 3.00% to 4.00%.

\$ 2,479,325

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The bonds and certificates are due as follows:

Year Ending December 31,	Governmental Activities		Total
	Principal payments	Interest payments	
2013	\$ 350,000	\$ 99,270	\$ 449,270
2014	365,000	86,218	451,218
2015	375,000	72,340	447,340
2016	390,000	57,707	447,707
2017	405,000	42,100	447,100
2018 - 2020	594,325	34,400	628,725
Totals	<u>\$ 2,479,325</u>	<u>\$ 392,035</u>	<u>\$ 2,871,360</u>

(11) Outstanding Letter of Credit

At December 31, 2012, the Police Jury had a \$3,100,000 outstanding letter of credit secured by a \$3,100,000 certificate of deposit to cover closure and post closure care costs and a \$1,000,000 outstanding letter of credit secured by a \$1,000,000 certificate of deposit to cover liability insurance related to the landfill as required by the Department of Environmental Quality.

(12) Leases

Operating leases -

As a lessee, the Police Jury entered into numerous operating leases for the use of equipment with lease terms of one year. The minimum annual commitments under these operating leases are considered to be immaterial. In addition, in January 2012, the Vermilion Parish Communication District entered into a lease for the use of public safety answering position equipment and software with AT&T Louisiana for an initial term of sixty (60) months and a monthly payment of \$3,990. Rent expense as of December 31, 2012 was \$15,960. The future minimum rental for this agreement is as follows:

2013	\$ 47,880
2014	47,880
2015	47,880
2016	47,880
2017	<u>31,920</u>
Total	<u>\$ 223,440</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(13) Employee Retirement

The Police Jury participates in four cost-sharing multiple-employer, public employee retirement systems (PERS): Parochial Employees Retirement System of Louisiana (Plan A), Louisiana State Employees Retirement System, District Attorneys Retirement System and Registrar of Voters Employees Retirement System. Each system is administered and controlled by a separate board of trustees.

A. Parochial Employees Retirement System of Louisiana

The system provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana state statutes. A publicly available financial report that includes financial statements and required supplemental information may be obtained by writing to the Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619, (225) 928-1361.

All employees working at least 28 hours per week and all elected parish officials are eligible to participate. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. Contributions to the retirement system also include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active plan members of each plan. The employer's contributions to the retirement system for the years ending December 31, 2012, 2011 and 2010 were \$838,847, \$846,632 and \$821,303, respectively, equal to the required contributions for each year.

B. Louisiana State Employees Retirement System

The system provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana state statutes. A publicly available financial report that includes financial statements and required supplemental information may be obtained by writing to the Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804.

Plan members are required to contribute 11.50% of their annual covered salary. The Police Jury contributed at the statutory rate of 31.8% (January through June) and 34.8% (July through December) of annual covered payroll. The Police Jury's contributions to the system for the year ended December 31, 2012, 2011 and 2010 were \$4,965, \$4,011 and \$2,816, respectively, equal to the required contribution for each year.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

C. Federal Social Security System

Employees of the Police Jury who are not eligible to participate in any other retirement system are members of the Federal Social Security System. The Police Jury and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the Police Jury; 7.65 percent contributed by the employee). The Police Jury's contribution during the year ended December 31, 2012, 2011 and 2010 amounted to \$126,050, \$125,621 and \$127,529, respectively.

D. Registrar of Voters Employees Retirement System

The system provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana state statutes. A publicly available financial report that includes financial statements and required supplemental information may be obtained by writing to the Registrar of Voters' Retirement System, P.O. Box 57, Jennings, Louisiana 70546.

Plan members are required to contribute 7.0% of their annual covered salary. The Police Jury contributed at the statutory rate of 15.5% (January through June) and 19.75% (July through December of annual covered payroll. The Police Jury's contribution during the years ended December 31, 2012, 2011 and 2010 amounted to \$8,914, \$7,300 and \$4,290, respectively.

E. District Attorney's Retirement System

The system provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana state statutes. A publicly available financial report that includes financial statements and required supplemental information may be obtained by writing to the District Attorney's Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802-8143.

Plan members are required to contribute 7.0% of their annual covered salary. The Police Jury contributed at the statutory rate of 9.75% (January through June) and 10.25% (July through December of annual covered payroll. The Police Jury's contribution during the years ended December 31, 2012, 2011 and 2010 amounted to \$14,133, \$14,194 and \$9,998, respectively.

(14) Post Employment Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2008, the Vermilion Parish Police Jury recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Police Jury's future cash flows. Because the Police Jury has adopted the requirements of GASB Statement No. 45

VERMILION PARISH POLICE JURY
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Notes to Basic Financial Statements (Continued)

prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

Plan Description: The Vermilion Parish Police Jury's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Complete plan provisions are included in the official plan documents.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy - Until 2010, the Vermilion Parish Police Jury recognized the cost of providing post-employment medical benefits (the Vermilion Parish Police Jury's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2012 and 2011, the Police Jury's portion of health care funding cost for retired employees totaled \$219,138 and \$202,906, respectively.

Effective January 1, 2010, the Vermilion Parish Police Jury Implemented Government Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The Vermilion Parish Police Jury's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits.

VERMILION PARISH POLICE JURY
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Notes to Basic Financial Statements (Continued)

Net Post-employment Benefit Obligation (Asset) – The table below shows the Vermilion Parish Police Jury's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending December 31, 2012:

Annual required contribution	\$ 553,016
Interest on net OPEB obligation	17,597
Adjustment to annual required contribution	<u>(25,441)</u>
Annual OPEB cost (expense)	545,172
Contributions made	<u>(219,138)</u>
Increase in net OPEB obligation	326,034
Net OPEB obligation - beginning of year	<u>439,930</u>
Net OPEB obligation - end of year	<u><u>\$ 765,964</u></u>

The Police Jury's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of 2010, 2011, and 2012 follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/12	\$ 545,172	40%	\$ 765,964
12/31/11	\$ 529,729	38%	\$ 439,930
12/31/10	\$ 222,409	74%	\$ 113,107

Funded Status and Funding Progress: In 2012, the Vermilion Parish Police Jury made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2011 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2012 was \$5,184,272 which is defined as that portion, as determined by a particular actuarial cost method (the Vermilion Parish Police Jury uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. The funded status of the plan as of January 01, 2012, was as follows:

Actuarial accrued liability (AAL)	\$ 5,184,272
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 5,184,272</u></u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 5,997,608
UAAL as a percentage of covered payroll	86.4%

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Vermilion Parish Police Jury and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Vermilion Parish Police Jury and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Vermilion Parish Police Jury and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are no plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

Post employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter the D.R.O.P. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

VERMILION PARISH POLICE JURY
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Notes to Basic Financial Statements (Continued)

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 90% of the cost of the medical insurance for the retirees and 50% for dependents before Medicare eligibility. The rates provided applicable before age 65 are "blended" rates. Since GASB 45 mandates that "unblended" rates be used, we have estimated the "unblended" rates for retirees before Medicare eligibility to be 130% of the blended rate. After Medicare eligibility, the employer pays a flat \$150 monthly for the retiree only, not dependents, for Medicare supplement coverage.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

(15) Criminal Court Fund

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year-end is transferred to the parish General Fund. For the period January 01, 2012 through December 31, 2012, the Criminal Court Fund will transfer \$102,802 to the General Fund.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(16) Litigation and Claims

As of December 31, 2012, the Vermilion Parish Police Jury was involved in various lawsuits. The Police Jury's legal counsel has reviewed the claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Police Jury and to arrive at an estimate, if any, of the amount of range of potential loss to the Police Jury not covered by insurance. As a result of the review, the various claims and lawsuits have been categorized as "remote," as defined by the Governmental Accounting Standards Board. It is the opinion of the Police Jury that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the Police Jury's financial position.

The Police Jury also owns and operates a parish landfill. As of December 31, 2012, the Jury was not aware of any environmental liabilities with respect to the landfill, not already recognized in the financial statements. Nor was the Police Jury aware of any environmental issues regarding any other properties or holdings of the parish.

(17) Closure and Post Closure Care Costs

The Vermilion Parish Police Jury landfill began operations in 1978. State and federal laws and regulations require the Police Jury to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The estimated closure and post closure cost to be recognized is \$2,398,876. The Police Jury also owns adjacent property which has been approved for the relocation of their landfill operations after the present site is closed; that property is not yet permitted and therefore, an estimate of closure and post closure costs is not currently required.

Although closure and post closure costs will be paid only near or after the date that the landfill stops accepting waste, generally accepted accounting principles require the Police Jury to report a portion of these costs as a liability in its general long-term liabilities based on landfill capacity. At December 31, 2012, capacity used was estimated at 3,662,737 cubic yards, while total capacity was estimated at 4,200,000 cubic yards. The percentage of landfill capacity used to date is approximately 87%. The Police Jury expects to close the landfill in approximately twenty years based on the existing permitted capacity. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

(18) Federal Compliance Contingencies

The Police Jury receives grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the Police Jury, such disallowances, if any, will not be significant.

VERMILION PARISH POLICE JURY
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Notes to Basic Financial Statements (Continued)

(19) Risk Management

The Police Jury is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Police Jury carries commercial insurance. There have been no significant reductions in the insurance coverage during the year.

(20) Deficit fund balance

The Project Account Fund had a deficit fund balance at December 31, 2012 of \$360,605. This deficit will be financed through future revenues of the fund.

(21) Compensation of Police Jurors

A summary of compensation paid to police jurors for the year ended December 31, 2012, follows:

Dane Hebert	\$ 19,200
Chris Beraud	464
Allen Lemaire	18,735
Nathan Granger	23,200
Keith Meaux	464
Paul Bourgeois	18,735
Errol Domingues	19,200
Gerald Butaud	464
Kevin Sagrera	18,735
Ronald Darby	19,200
Wayne Touchet	19,600
Mark Poche'	19,200
T.J. Prejean, Jr.	464
Sandrus Stelly	18,735
Ronald Menard	19,200
Pervis Gaspard	19,200
Cloris Boudreaux	19,200
Leon Broussard	19,200
	<u>\$ 273,197</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(22) Interfund Transactions

A. Receivables and Payables

A summary of interfund receivables and payables at December 31, 2012 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 206,241	\$ 16,381
1976 Sales Tax	1,838	3,499
1978 Sales Tax	13,159	852
1994 Sales Tax	-	67,787
Royalty Road	84,830	-
Parishwide Public Improvement Maintenance	41,301	37,299
Project Account Fund	-	221,070
Total major governmental funds	<u>347,369</u>	<u>346,888</u>
Nonmajor governmental funds:		
Special revenue funds -		
Health Unit	-	354
Civil Defense	-	122
Youth Athletic	-	1
Capital project funds -		
LCDBG I	-	1
LCDBG II	-	1
LCDBG III	-	1
LCDBG IV	-	1
Total nonmajor governmental funds	<u>-</u>	<u>481</u>
Total	<u>\$ 347,369</u>	<u>\$ 347,369</u>

The above amounts are for reimbursements owed for expenditures paid for those funds, amounts owed to the general fund for workers compensation, and for short-term loans.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Transfers consisted of the following at December 31, 2012:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General Fund	\$ 1,500,293	\$ -
1976 Sales Tax	-	2,500,000
1978 Sales Tax	-	4,000,000
1994 Sales Tax	2,500,000	-
Royalty Road	650,129	1,000,000
Parishwide Public Improvement Maintenance	<u>3,907,585</u>	<u>93,420</u>
Total major funds	<u>8,558,007</u>	<u>7,593,420</u>
Nonmajor funds:		
Special revenue funds -		
Road District No. 1	-	57,872
Maintenance of Road District System	72,104	978,526
Capital Project Fund:		
LCDBG Contract III	<u>-</u>	<u>293</u>
Total nonmajor funds	<u>72,104</u>	<u>1,036,691</u>
Total	<u>\$ 8,630,111</u>	<u>\$ 8,630,111</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(23) Receivable and Payable Between Primary Government and Discretely Presented Component Units

Receivables and payable balances at December 31, 2012 between the primary government and component units were as follows:

	<u>Receivable</u>	<u>Payable</u>
Primary Government:		
General Fund	\$ 111	\$ -
Royalty Road Fund	519	-
Component Units:		
Criminal Court	<u>-</u>	<u>630</u>
Total	<u>\$ 630</u>	<u>\$ 630</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(24) Transactions Between Primary Government and Discretely Presented Component Units

The following transactions between the primary government and its discretely presented component units during 2012 are classified as external transactions in the government-wide statement of activities:

General Fund

Transfer to Criminal Court to subsidize operations	<u>\$ 350,000</u>
----------------------------------------------------	-------------------

(25) Wireless E911 Service Status

In accordance with LRS 33:9101 et seq, following is a summary of revenues derived from wireless services charges, how much were expended, and the progress of Phase I implementation as of December 31, 2012.

Total funds received from wireless service charges	<u>\$435,647</u>
----------------------------------------------------	------------------

Expenditures made solely for wireless 911	<u>\$ 1,983</u>
-------------------------------------------	-----------------

Expenditures made solely for wireline 911	<u>\$ -</u>
-------------------------------------------	-------------

Amount of expenditures attributable to wireless 911 (total balance of expenditures multiplied by the percentage of wireless calls received by the District to the total number of calls received)	<u>\$669,448</u>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------

Status of Phase I implementation:

AT&T Wireless – implemented
Sprint/Nextel – implemented
Pace – implemented
Centennial Wireless - implemented
T-Mobile – implemented
Verizon Wireless – implemented

Status of Phase II Implementation:

AT&T Wireless – implemented
Sprint/Nextel – implemented
Pace – implemented
Centennial Wireless – implemented
T-Mobile – implemented
Verizon Wireless – implemented

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(26) Parish Government Building Lease

During 2001, the Police Jury purchased Hibernia Bank building in Abbeville to serve as new parish government office building. In order to facilitate the transaction, the Police Jury entered into an agreement with Hibernia Bank in which Hibernia would sell the building for a total sales price of \$900,000, with the Police Jury paying \$525,000 in cash and the remaining balance representing a prepayment from Hibernia for a lease of space within the building in which Hibernia would continue to maintain their branch. The total amount credited against the purchase price amounted to \$375,000, and represents payment for the 20-year permanent term of the lease. Rent for each permanent term of the lease is \$1,563 per month.

The lease has an initial term which commenced in December 2001, and shall continue for twelve months unless otherwise extended by the lessee. Lessee has the option to terminate the initial term on the last day of the calendar month in which lessee notifies the Police Jury that they are ready to occupy the leased premises as modified by lessee's initial alterations. During the initial term, gross rent of \$3,065 per month shall be paid to the Police Jury. The initial term was renewed (up to 4 additional months) in 2002 and therefore gross rent of \$3,832 per month is paid to the Police Jury.

After the initial term is complete, the permanent term of the lease shall commence and shall terminate twenty (20) years thereafter, unless extended by lessee. Rent during any extended permanent term shall be tied to the initial permanent term monthly rental adjusted for charges in the "Consumer Price Index."

As mentioned above, the lease payments were prepaid as an adjustment of the cash transferred for the purchase of the building. The balance of the unearned lease payments received is \$187,500 at December 31, 2012 and is presented as deferred revenue (See Note 9) in the financial statements.

The future minimum rental revenue from the above lease is as follows:

2013	\$ 18,750
2014	18,750
2015	18,750
2016	18,750
2017	18,750
2018 - 2022	<u>93,750</u>
	<u>\$ 187,500</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(27) On-behalf Payments

The Vermilion Parish Police Jury has recognized \$21,265 as a revenue and an expenditure for on-behalf salary payments regarding Justices of the Peace and Constables made by the State of Louisiana.

(28) Subsequent Events

The Police Jury evaluated subsequent events through ____June 5, 2013, the date which the financial statements were available to be issued.

(29) New Accounting Pronouncements

During the fiscal year ended December 31, 2012, the Police Jury adopted GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The statement clarifies the appropriate reporting of deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The provisions of GASB No. 65 must be implemented by the Police Jury for the year ending December 31, 2013. The effect of implementation on the Police Jury's financial statements has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 1,051,885	\$ 1,051,885	\$ 1,091,310	\$ 39,425
Licenses and permits	442,300	442,300	592,150	149,850
Intergovernmental revenues -				
Federal grants	150,828	150,828	272,222	121,394
State funds -				
State revenue sharing	100,000	100,000	129,615	29,615
Other	1,141,420	1,141,420	1,250,145	108,725
Fees, charges and commissions	334,316	334,316	367,859	33,543
Interest income	2,500	2,500	2,257	(243)
Miscellaneous	329,982	329,982	287,633	(42,349)
Total revenues	<u>3,553,231</u>	<u>3,553,231</u>	<u>3,993,191</u>	<u>439,960</u>
Expenditures:				
Current -				
General government:				
Legislative	333,436	333,436	338,778	(5,342)
Judicial	982,517	1,022,517	1,043,076	(20,559)
Elections	80,735	80,735	85,489	(4,754)
Finance and administration	654,188	654,188	589,162	65,026
Other	754,765	754,765	605,430	149,335
Public works	281,500	281,500	337,992	(56,492)
Public safety	1,196,927	1,196,927	984,774	212,153
Health and welfare	210,856	210,856	173,960	36,896
Economic development and assistance	83,161	83,161	76,522	6,639
Culture and recreation	1,850	1,850	360	1,490
Capital outlay	92,881	92,881	110,491	(17,610)
Total expenditures	<u>4,672,816</u>	<u>4,712,816</u>	<u>4,346,034</u>	<u>366,782</u>
Deficiency of revenues over expenditures	<u>(1,119,585)</u>	<u>(1,159,585)</u>	<u>(352,843)</u>	<u>806,742</u>
Other financing sources (uses):				
Transfers in	1,500,000	1,500,000	1,500,293	293
Transfers out - component unit	(350,000)	(350,000)	(392,931)	(42,931)
Transfers out	(40,000)	(40,000)	-	40,000
Total other financing sources (uses)	<u>1,110,000</u>	<u>1,110,000</u>	<u>1,107,362</u>	<u>(2,638)</u>
Net change in fund balances	(9,585)	(49,585)	754,519	804,104
Fund balance, beginning	<u>773,538</u>	<u>773,538</u>	<u>773,538</u>	<u>-</u>
Fund balance, ending	<u>\$ 763,953</u>	<u>\$ 723,953</u>	<u>\$ 1,528,057</u>	<u>\$ 804,104</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

1976 Sales Tax Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales and use taxes	\$ 3,600,000	\$ 3,600,000	\$ 3,947,833	\$ 347,833
Investment income	75,000	75,000	54,333	(20,667)
Miscellaneous	-	-	14,050	14,050
Total revenues	<u>3,675,000</u>	<u>3,675,000</u>	<u>4,016,216</u>	<u>341,216</u>
Expenditures:				
Current -				
General government:				
Finance and administration	62,556	62,556	64,053	(1,497)
Public works	251,790	251,790	240,305	11,485
Public safety	410,076	443,983	401,034	42,949
Health and welfare	867,088	859,588	847,538	12,050
Capital outlay	<u>591,500</u>	<u>599,000</u>	<u>523,063</u>	<u>75,937</u>
Total expenditures	<u>2,183,010</u>	<u>2,216,917</u>	<u>2,075,993</u>	<u>140,924</u>
Excess of revenues over expenditures	1,491,990	1,458,083	1,940,223	482,140
Other financing sources (uses):				
Transfers out	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>
Net change in fund balances	(1,008,010)	(1,041,917)	(559,777)	482,140
Fund balance, beginning	<u>11,691,538</u>	<u>11,691,538</u>	<u>11,691,538</u>	<u>-</u>
Fund balance, ending	<u>\$ 10,683,528</u>	<u>\$ 10,649,621</u>	<u>\$ 11,131,761</u>	<u>\$ 482,140</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

1978 Sales Tax Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales and use taxes	\$ 3,600,000	\$ 3,600,000	\$ 3,947,833	\$ 347,833
Interest income	45,000	45,000	64,017	19,017
Miscellaneous	-	-	142	142
Total revenues	<u>3,645,000</u>	<u>3,645,000</u>	<u>4,011,992</u>	<u>366,992</u>
Expenditures:				
Current -				
General government:				
Finance and administration	62,556	62,556	64,095	(1,539)
Public safety	451,274	451,274	488,201	(36,927)
Culture and recreation	97,572	97,572	102,403	(4,831)
Capital outlay	<u>83,000</u>	<u>83,000</u>	<u>155,090</u>	<u>(72,090)</u>
Total expenditures	<u>694,402</u>	<u>694,402</u>	<u>809,789</u>	<u>(115,387)</u>
Excess of revenues over expenditures	2,950,598	2,950,598	3,202,203	251,605
Other financing uses:				
Transfers out	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
Net change in fund balances	(1,049,402)	(1,049,402)	(797,797)	251,605
Fund balance, beginning	<u>10,758,054</u>	<u>10,758,054</u>	<u>10,758,054</u>	<u>-</u>
Fund balance, ending	<u>\$ 9,708,652</u>	<u>\$ 9,708,652</u>	<u>\$ 9,960,257</u>	<u>\$ 251,605</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

1994 Sales Tax Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales and use taxes	\$ 3,600,000	\$ 3,600,000	\$ 3,947,833	\$ 347,833
Fees, charges, and commission	520,000	520,000	552,452	32,452
Licenses and permits	25,000	25,000	20,500	(4,500)
Intergovernmental funds -				
Federal grants	-	-	14,844	14,844
Interest income	70,000	70,000	101,245	31,245
Miscellaneous	1,000	1,000	32,850	31,850
Total revenues	<u>4,216,000</u>	<u>4,216,000</u>	<u>4,669,724</u>	<u>453,724</u>
Expenditures:				
Current -				
General government:				
Finance and administration	62,556	62,556	65,379	(2,823)
Sanitation, sewerage, and waste disposal	5,559,715	5,559,715	4,842,909	716,806
Capital outlay	<u>1,980,000</u>	<u>1,980,000</u>	<u>1,623,226</u>	<u>356,774</u>
Total expenditures	<u>7,602,271</u>	<u>7,602,271</u>	<u>6,531,514</u>	<u>1,070,757</u>
Deficiency of revenues over expenditures	(3,386,271)	(3,386,271)	(1,861,790)	1,524,481
Other financing sources:				
Transfers in	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Net change in fund balances	(886,271)	(886,271)	638,210	1,524,481
Fund balance, beginning	<u>10,894,891</u>	<u>10,894,891</u>	<u>10,894,891</u>	<u>-</u>
Fund balance, ending	<u>\$ 10,008,620</u>	<u>\$ 10,008,620</u>	<u>\$ 11,533,101</u>	<u>\$ 1,524,481</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Royalty Road Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues -				
State funds -				
Other	\$ 2,785,566	\$ 2,319,566	\$ 2,034,462	\$ (285,104)
Interest income	30,000	30,000	63,373	33,373
Miscellaneous	-	-	1,724	1,724
Total revenues	<u>2,815,566</u>	<u>2,349,566</u>	<u>2,099,559</u>	<u>(250,007)</u>
Expenditures:				
Current -				
General government:				
Finance and administration	280,150	280,150	169,783	110,367
Public works	450,000	450,000	609,929	(159,929)
Capital outlay	<u>898,000</u>	<u>898,000</u>	<u>452,343</u>	<u>445,657</u>
Total expenditures	<u>1,628,150</u>	<u>1,628,150</u>	<u>1,232,055</u>	<u>396,095</u>
Excess of revenues over expenditures	<u>1,187,416</u>	<u>721,416</u>	<u>867,504</u>	<u>146,088</u>
Other financing sources (uses):				
Transfers in	203,896	669,896	650,129	(19,767)
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(796,104)</u>	<u>(330,104)</u>	<u>(349,871)</u>	<u>(19,767)</u>
Net change in fund balances	391,312	391,312	517,633	126,321
Fund balance, beginning	<u>9,110,680</u>	<u>9,110,680</u>	<u>9,110,680</u>	<u>-</u>
Fund balance, ending	<u>\$ 9,501,992</u>	<u>\$ 9,501,992</u>	<u>\$ 9,628,313</u>	<u>\$ 126,321</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Parishwide Public Improvements Maintenance Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - ad valorem	\$ 973,506	\$ 973,506	\$ 1,067,631	\$ 94,125
Intergovernmental revenues -				
Federal funds-				
Federal grants	-	-	2,402	2,402
State funds-				
State revenue sharing	79,617	79,617	97,032	17,415
Other	500,000	500,000	497,094	(2,906)
Interest income	200	200	265	65
Miscellaneous	7,100	7,100	24,776	17,676
Total revenues	<u>1,560,423</u>	<u>1,560,423</u>	<u>1,689,200</u>	<u>128,777</u>
Expenditures:				
Current -				
General government:				
Finance and administration	93,681	93,681	94,581	(900)
Public works	4,941,149	4,941,149	4,645,232	295,917
Capital outlay	<u>353,800</u>	<u>414,800</u>	<u>334,936</u>	<u>79,864</u>
Total expenditures	<u>5,388,630</u>	<u>5,449,630</u>	<u>5,074,749</u>	<u>374,881</u>
Deficiency of revenues over expenditures	<u>(3,828,207)</u>	<u>(3,889,207)</u>	<u>(3,385,549)</u>	<u>503,658</u>
Other financing sources:				
Transfers in	3,907,792	3,907,792	3,907,585	(207)
Transfers out	<u>-</u>	<u>-</u>	<u>(93,420)</u>	<u>(93,420)</u>
Total other financing sources (uses)	<u>3,907,792</u>	<u>3,907,792</u>	<u>3,814,165</u>	<u>(93,627)</u>
Net change in fund balances	79,585	18,585	428,616	410,031
Fund balance, beginning	<u>983,940</u>	<u>983,940</u>	<u>983,940</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,063,525</u>	<u>\$ 1,002,525</u>	<u>\$ 1,412,556</u>	<u>\$ 410,031</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Budgetary Comparison Schedules

(1) Budget and Budgetary Accounting

The Police Jury follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to December 15, the Treasurer prepares a proposed operating budget which is submitted to the budget committee who in turn submits the proposed budget to the Members of the Police Jury no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- e. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Members of the Police Jury.
- f. All budgetary appropriations lapse at the end of each fiscal year.
- g. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Police Jury. Such amendments were not material in relation to the original appropriations.

At December 31, 2012, the following fund reported excess expenditures over appropriations: 1978 Sales Tax Fund.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Schedule of Funding Progress
For the Year Ended December 31, 2012

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 01, 2009	-	\$ 2,270,341	\$ 2,270,341	0.0%	\$ 6,212,198	36.5%
January 01, 2011	-	\$ 4,984,877	\$ 4,984,877	0.0%	\$ 6,036,052	82.6%

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

VERMILION PARISH POLICE JURY
Abbeville, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet
December 31, 2012

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest bearing deposits	\$ 553,380	\$ 525	\$ 285,249	\$ 839,154
Investments	5,055,750	1,138,300	-	6,194,050
Accounts receivable	110,742	-	-	110,742
Ad valorem taxes receivable, net	89,294	20,703	-	109,997
Accrued interest receivable	1,091	125	-	1,216
Due from other governmental units	2,700,191	599,466	325,192	3,624,849
Prepaid expenses	<u>502</u>	<u>-</u>	<u>-</u>	<u>502</u>
Total assets	<u>\$ 8,510,950</u>	<u>\$ 1,759,119</u>	<u>\$ 610,441</u>	<u>\$10,880,510</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 83,014	\$ -	\$ 288,868	\$ 371,882
Contracts payable	-	-	41,350	41,350
Retainage payable	-	-	16,119	16,119
Accrued liabilities	51,146	-	-	51,146
Due to other funds	477	-	4	481
Deferred revenue	<u>148,409</u>	<u>34,574</u>	<u>264,100</u>	<u>447,083</u>
Total liabilities	<u>283,046</u>	<u>34,574</u>	<u>610,441</u>	<u>928,061</u>
Fund balances:				
Nonspendable	502	-	-	502
Restricted	<u>8,227,402</u>	<u>1,724,545</u>	<u>-</u>	<u>9,951,947</u>
Total fund balances	<u>8,227,904</u>	<u>1,724,545</u>	<u>-</u>	<u>9,952,449</u>
Total liabilities and fund balances	<u>\$ 8,510,950</u>	<u>\$ 1,759,119</u>	<u>\$ 610,441</u>	<u>\$10,880,510</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2012

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Taxes-				
Ad valorem	\$ 2,986,361	\$ 701,426	\$ -	\$ 3,687,787
Sales and use tax	2,166	-	-	2,166
Intergovernmental revenues -				
Federal grants	215,982	-	3,190,842	3,406,824
State funds:				
State revenue sharing	162,083	-	-	162,083
Fees, charges and commissions	697,060	-	-	697,060
Interest income	38,611	7,320	-	45,931
Miscellaneous	29,926	-	-	29,926
Total revenues	<u>4,132,189</u>	<u>708,746</u>	<u>3,190,842</u>	<u>8,031,777</u>
Expenditures:				
Current -				
General government:				
Finance and administrative	267,626	-	-	267,626
Public works	957,173	-	2,488,561	3,445,734
Public safety	1,030,893	-	-	1,030,893
Health and welfare	648,812	-	-	648,812
Culture and recreation	2,166	-	-	2,166
Capital outlay	69,930	-	701,988	771,918
Debt service:				
Principal retirement	-	340,000	-	340,000
Interest and fiscal charges	-	134,358	-	134,358
Total expenditures	<u>2,976,600</u>	<u>474,358</u>	<u>3,190,549</u>	<u>6,641,507</u>
Excess (deficiency) of revenues over expenditures	<u>1,155,589</u>	<u>234,388</u>	<u>293</u>	<u>1,390,270</u>
Other financing sources (uses):				
Transfers in	72,104	-	-	72,104
Transfers out	<u>(1,036,398)</u>	<u>-</u>	<u>(293)</u>	<u>(1,036,691)</u>
Total other financing sources (uses)	<u>(964,294)</u>	<u>-</u>	<u>(293)</u>	<u>(964,587)</u>
Net change in fund balances	191,295	234,388	-	425,683
Fund balances, beginning	<u>8,036,609</u>	<u>1,490,157</u>	<u>-</u>	<u>9,526,766</u>
Fund balances, ending	<u>\$ 8,227,904</u>	<u>\$ 1,724,545</u>	<u>\$ -</u>	<u>\$ 9,952,449</u>

NONMAJOR SPECIAL REVENUE FUNDS

Health Unit

To account for the maintenance of a health unit which provides health and welfare services to the citizens of the parish. Major means of financing is provided by ad valorem taxes, state revenue sharing and interest earnings on investments.

Ward 8 Public Cemetery

To account for the maintenance of public cemeteries in Ward 8 of Vermilion Parish. Major means of financing is provided by ad valorem taxes and state revenue sharing.

Communications District

To account for the operations of a 911 emergency system in the Parish, which is funded primarily by fees added to customer's telephone bills.

Civil Defense Fund

To account for the civil defense operations in the parish. Means of financing is provided by a grant from the State of Louisiana Office of Emergency of Preparedness and transfers from other revenue sources of the Police Jury.

Road District No. 1 Maintenance Fund

To account for the maintenance and upkeep of parish roads within Road District No, 1. Major means of financing is provided by ad valorem taxes and state revenue sharing.

Maintenance of Road Districts Funds

To account for the maintenance and upkeep of parish roads within various road district other than Road District No. 1. Major means of financing is provided by ad valorem taxes and state revenue sharing.

Youth Athletic Tax Fund

To account for the collection and disbursement of the Police Jury's share of proceeds from taxes collected by the Vermilion Parish Tourist Commission. Money is to be used to fund recreation programs for youth in Vermilion Parish.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet
December 31, 2012

	Health Unit Fund	Ward 8 Public Cemetery Fund	Communications District Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
ASSETS			
Cash and interest-bearing deposits	\$ 94,424	\$ 94,296	\$ 284,106
Investments	2,100,000	51,800	-
Accounts receivable	-	-	110,742
Ad valorem taxes receivable, net	23,754	47	-
Accrued interest receivable	633	105	67
Due from other governmental units	723,176	28,173	-
Prepaid expenses	<u>502</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,942,489</u>	<u>\$ 174,421</u>	<u>\$ 394,915</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 37,314	\$ -	\$ -
Accrued liabilities	5,652	-	43,380
Due to other funds	354	-	-
Deferred revenue	<u>39,677</u>	<u>647</u>	<u>-</u>
Total liabilities	<u>82,997</u>	<u>647</u>	<u>43,380</u>
Fund balances:			
Nonspendable	502	-	-
Restricted	<u>2,858,990</u>	<u>173,774</u>	<u>351,535</u>
Total fund balances	<u>2,859,492</u>	<u>173,774</u>	<u>351,535</u>
Total liabilities and fund balances	<u>\$ 2,942,489</u>	<u>\$ 174,421</u>	<u>\$ 394,915</u>

Civil Defense Fund	Road District No.1 Fund	Youth Athletic Tax Fund	Maintenance of Road District Funds	Total
\$ 31,615	\$ 47,498	\$ 1	\$ 1,440	\$ 553,380
-	45,000	-	2,858,950	5,055,750
-	-	-	-	110,742
-	266	-	65,227	89,294
-	70	-	216	1,091
33,928	168,186	-	1,746,728	2,700,191
-	-	-	-	502
<u>\$ 65,543</u>	<u>\$ 261,020</u>	<u>\$ 1</u>	<u>\$4,672,561</u>	<u>\$ 8,510,950</u>
\$ 344	\$ 20,523	\$ -	\$ 24,833	\$ 83,014
2,114	-	-	-	51,146
122	-	1	-	477
-	3,695	-	104,390	148,409
<u>2,580</u>	<u>24,218</u>	<u>1</u>	<u>129,223</u>	<u>283,046</u>
-	-	-	-	502
<u>62,963</u>	<u>236,802</u>	<u>-</u>	<u>4,543,338</u>	<u>8,227,402</u>
<u>62,963</u>	<u>236,802</u>	<u>-</u>	<u>4,543,338</u>	<u>8,227,904</u>
<u>\$ 65,543</u>	<u>\$ 261,020</u>	<u>\$ 1</u>	<u>\$4,672,561</u>	<u>\$ 8,510,950</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet
Maintenance of Road District Funds
December 31, 2012

	Sub Road District #1 of Road District #2	Sub Road District #2 of Road and Road District #3	Sub Road District #3 of Road District #2	Sub Road District #4 of Road District #2
ASSETS				
Cash and interest-bearing deposits	\$ 14	\$ 41	\$ 51	\$ 288
Investments	586,900	68,650	96,300	505,300
Ad valorem taxes, net	9,205	1,657	5,246	27,000
Accrued interest receivable	46	7	6	57
Due from other governmental units	<u>308,102</u>	<u>66,400</u>	<u>111,926</u>	<u>259,755</u>
Total assets	<u>\$ 904,267</u>	<u>\$ 136,755</u>	<u>\$213,529</u>	<u>\$ 792,400</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,274	\$ 4,548	\$ 770	\$ 8,038
Deferred revenue	<u>16,429</u>	<u>3,101</u>	<u>7,823</u>	<u>33,507</u>
Total liabilities	<u>20,703</u>	<u>7,649</u>	<u>8,593</u>	<u>41,545</u>
Fund balances:				
Restricted	<u>883,564</u>	<u>129,106</u>	<u>204,936</u>	<u>750,855</u>
Total liabilities and fund balances	<u>\$ 904,267</u>	<u>\$ 136,755</u>	<u>\$213,529</u>	<u>\$ 792,400</u>

Sub Road District #5 of Road District #2	Road District #4-A	Road District #6	Road District #7	Total
\$ 167	\$ 165	\$ 104	\$ 610	\$ 1,440
192,500	231,900	59,200	1,118,200	2,858,950
6,202	3,583	219	12,115	65,227
3	32	1	64	216
<u>140,399</u>	<u>186,757</u>	<u>99,903</u>	<u>573,486</u>	<u>1,746,728</u>
<u>\$339,271</u>	<u>\$422,437</u>	<u>\$ 159,427</u>	<u>\$ 1,704,475</u>	<u>\$4,672,561</u>
\$ 3,515	\$ 751	\$ 727	\$ 2,210	\$ 24,833
<u>9,336</u>	<u>7,344</u>	<u>2,189</u>	<u>24,661</u>	<u>104,390</u>
<u>12,851</u>	<u>8,095</u>	<u>2,916</u>	<u>26,871</u>	<u>129,223</u>
<u>326,420</u>	<u>414,342</u>	<u>156,511</u>	<u>1,677,604</u>	<u>4,543,338</u>
<u>\$339,271</u>	<u>\$422,437</u>	<u>\$ 159,427</u>	<u>\$ 1,704,475</u>	<u>\$4,672,561</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2012

	Health Unit Fund	Ward 8 Public Cemetery Fund	Communications District Fund
Revenues:			
Taxes -			
Ad valorem	\$ 808,660	\$ 30,164	\$ -
Sales and use tax	-	-	-
Intergovernmental revenues -			
Federal grants	-	-	-
State funds:			
State revenue sharing	47,738	2,489	-
Fees, charges, and commissions	30,540	-	666,520
Interest income	14,969	271	2,890
Other revenues	18	-	634
Total revenues	<u>901,925</u>	<u>32,924</u>	<u>670,044</u>
Expenditures:			
Current -			
General government:			
Finance and administrative	71,634	2,700	-
Public works	-	27,377	-
Public safety	-	-	781,358
Health and welfare	648,812	-	-
Culture and recreation	-	-	-
Capital outlay	69,930	-	-
Total expenditures	<u>790,376</u>	<u>30,077</u>	<u>781,358</u>
Excess (deficiency) of revenues over expenditures	<u>111,549</u>	<u>2,847</u>	<u>(111,314)</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	111,549	2,847	(111,314)
Fund balances, beginning	<u>2,747,943</u>	<u>170,927</u>	<u>462,849</u>
Fund balances, ending	<u>\$ 2,859,492</u>	<u>\$ 173,774</u>	<u>\$ 351,535</u>

Civil Defense Fund	Road District No.1 Fund	Youth Athletic Fund	Maintenance of Road District Funds	Total
\$ -	\$ 180,811	\$ -	\$ 1,966,726	\$ 2,986,361
-	-	2,166	-	2,166
215,982	-	-	-	215,982
-	9,776	-	102,080	162,083
-	-	-	-	697,060
31	250	-	20,200	38,611
3,273	-	-	26,001	29,926
<u>219,286</u>	<u>190,837</u>	<u>2,166</u>	<u>2,115,007</u>	<u>4,132,189</u>
-	15,427	-	177,865	267,626
-	127,293	-	802,503	957,173
249,535	-	-	-	1,030,893
-	-	-	-	648,812
-	-	2,166	-	2,166
-	-	-	-	69,930
<u>249,535</u>	<u>142,720</u>	<u>2,166</u>	<u>980,368</u>	<u>2,976,600</u>
<u>(30,249)</u>	<u>48,117</u>	<u>-</u>	<u>1,134,639</u>	<u>1,155,589</u>
-	-	-	72,104	72,104
-	(57,872)	-	(978,526)	(1,036,398)
-	(57,872)	-	(906,422)	(964,294)
(30,249)	(9,755)	-	228,217	191,295
<u>93,212</u>	<u>246,557</u>	<u>-</u>	<u>4,315,121</u>	<u>8,036,609</u>
<u>\$ 62,963</u>	<u>\$ 236,802</u>	<u>\$ -</u>	<u>\$ 4,543,338</u>	<u>\$ 8,227,904</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Maintenance of Road District Funds
Year Ended December 31, 2012

	Sub Road District #1 of Road District #2	Sub Road District #2 of Road and Road District #3	Sub Road District #3 of Road District #2	Sub Road District #4 of Road District #2
Revenues:				
Taxes - Ad valorem	\$356,964	\$ 70,785	\$ 125,956	\$ 301,186
Intergovernmental revenues -				
State funds:				
State revenue sharing	30,746	8,933	15,525	-
Interest income	3,890	581	1,149	3,508
Miscellaneous	-	-	-	17,501
Total revenues	<u>391,600</u>	<u>80,299</u>	<u>142,630</u>	<u>322,195</u>
Expenditures:				
Current -				
General government:				
Finance and administrative	32,498	6,495	13,276	29,276
Public Works	<u>125,997</u>	<u>62,926</u>	<u>147,404</u>	<u>135,860</u>
Total expenditures	<u>158,495</u>	<u>69,421</u>	<u>160,680</u>	<u>165,136</u>
Excess (deficiency) of revenues over expenditures	233,105	10,878	(18,050)	157,059
Other financing sources (uses):				
Transfers in	11,359	-	-	5,868
Transfers out	<u>(194,087)</u>	<u>(20,846)</u>	<u>(48,219)</u>	<u>(118,979)</u>
Total other financing sources (uses)	<u>(182,728)</u>	<u>(20,846)</u>	<u>(48,219)</u>	<u>(113,111)</u>
Net change in fund balances	50,377	(9,968)	(66,269)	43,948
Fund balances, beginning	<u>833,187</u>	<u>139,074</u>	<u>271,205</u>	<u>706,907</u>
Fund balances, ending	<u>\$883,564</u>	<u>\$129,106</u>	<u>\$ 204,936</u>	<u>\$ 750,855</u>

Sub Road District #5 of Road District #2	Road District #4-A	Road District #6	Road District #7	Total
\$ 152,713	\$ 198,554	\$ 103,846	\$ 656,722	\$ 1,966,726
25,781	5,271	7,826	7,998	102,080
1,244	1,611	365	7,852	20,200
8,500	-	-	-	26,001
<u>188,238</u>	<u>205,436</u>	<u>112,037</u>	<u>672,572</u>	<u>2,115,007</u>
14,099	16,919	8,861	56,441	177,865
<u>130,097</u>	<u>43,063</u>	<u>12,790</u>	<u>144,366</u>	<u>802,503</u>
<u>144,196</u>	<u>59,982</u>	<u>21,651</u>	<u>200,807</u>	<u>980,368</u>
44,042	145,454	90,386	471,765	1,134,639
54,259	-	-	618	72,104
<u>(72,458)</u>	<u>(71,763)</u>	<u>(30,725)</u>	<u>(421,449)</u>	<u>(978,526)</u>
<u>(18,199)</u>	<u>(71,763)</u>	<u>(30,725)</u>	<u>(420,831)</u>	<u>(906,422)</u>
25,843	73,691	59,661	50,934	228,217
<u>300,577</u>	<u>340,651</u>	<u>96,850</u>	<u>1,626,670</u>	<u>4,315,121</u>
<u>\$ 326,420</u>	<u>\$ 414,342</u>	<u>\$ 156,511</u>	<u>\$ 1,677,604</u>	<u>\$ 4,543,338</u>

NONMAJOR DEBT SERVICE FUND

1999 General Obligation Bonds

To accumulate monies for repayment of \$6,000,000 of bonds which were issued in 1999 for the purpose of constructing, acquiring, and improving public libraries buildings within the parish. Payments are due in various annual amounts through 2019, with interest accruing at various rates, ranging from 4.75% to 7.00%. These bonds are financed by a dedication of proceeds of a 3 mill property tax. These bonds were refunded April 1, 2005. The results of the refunding consisted of \$1,020,000 of bonds unrefunded, of which payments are due in various annual amounts through 2009, with interest accruing at various rates, ranging from 4.75% to 6.50%; and \$3,810,000 of bonds refunded, of which are due in various annual amounts through 2019, with interest accruing at various rates, ranging from 3.00% to 4.00%.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana
Nonmajor Debt Service Fund
General Obligation Bonds, Series 1999

Balance Sheet
December 31, 2012

ASSETS

Cash and interest-bearing deposits	\$ 525
Investments	1,138,300
Ad valorem tax receivable, net	20,703
Accrued interest receivable	125
Due from other governmental units	<u>599,466</u>
Total assets	<u>\$ 1,759,119</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Deferred revenue	\$ 34,574
Fund balance:	
Restricted	<u>1,724,545</u>
Total liabilities and fund balance	<u>\$ 1,759,119</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana
Nonmajor Debt Service Fund
General Obligation Bonds, Series 1999

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended December 31, 2012

Revenues:	
Taxes -	
Ad valorem	\$ 701,426
Interest income	<u>7,320</u>
Total revenues	<u>708,746</u>
Expenditures:	
Debt service -	
Principal retirement	340,000
Interest and fiscal charges	<u>134,358</u>
Total expenditures	<u>474,358</u>
Excess of revenues over expenditures	234,388
Fund balance, beginning	<u>1,490,157</u>
Fund balance, ending	<u><u>\$1,724,545</u></u>

NONMAJOR CAPITAL PROJECT FUNDS

LCDBG Contract I

To account for cost associated with assisting low to middle income parish residents with improvements to their homes for medical necessities. These costs are being paid through a Community Development Block Grant.

LCDBG Contract II

To account for cost associated with the purchase, construction and improvements made with respect to the Long-term Community Recovery Program. These costs are being paid through a Community Development Block Grant.

LCDBG Contract III

To account for cost associated with assisting parish residents with elevation of homes in response to new FEMA flood requirements. These costs are being paid through a Community Development Block Grant.

LCDBG Contract IV

To account for cost associated with the purchase, construction and improvements made with respect to waterline extensions within two of the parishes districts. These costs are being paid through a Community Development Block Grant.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana
Nonmajor Capital Project Funds

Combining Balance Sheet
December 31, 2012

	LCDBG Contract I	LCDBG Contract II	LCDBG Contract III	LCDBG Contract IV	Total
ASSETS					
Cash	\$ 1	\$ 264,101	\$ 21,146	\$ 1	\$ 285,249
Due from other governmental units	-	44,542	280,650	-	325,192
Total assets	<u>\$ 1</u>	<u>\$ 308,643</u>	<u>\$ 301,796</u>	<u>\$ 1</u>	<u>\$ 610,441</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 28,423	\$ 260,445	\$ -	\$ 288,868
Contracts payable	-	-	41,350	-	41,350
Retainage payable	-	16,119	-	-	16,119
Due to other funds	1	1	1	1	4
Deferred revenue	-	264,100	-	-	264,100
Total liabilities	1	308,643	301,796	1	610,441
Fund balances:					
Restricted	-	-	-	-	-
Total liabilities and fund balance	<u>\$ 1</u>	<u>\$ 308,643</u>	<u>\$ 301,796</u>	<u>\$ 1</u>	<u>\$ 610,441</u>

VERMILION PARISH POLICE JURY
Abbeville, Louisiana
Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2012

	LCDBG Contract I	LCDBG Contract II	LCDBG Contract III	LCDBG Contract IV	Total
Revenues:					
Intergovernmental -					
Federal grant	<u>\$ 25,673</u>	<u>\$ 390,493</u>	<u>\$ 2,652,047</u>	<u>\$ 122,629</u>	<u>\$ 3,190,842</u>
Expenditures:					
Public works	25,673	146,780	2,193,479	122,629	2,488,561
Capital outlay	<u>-</u>	<u>243,713</u>	<u>458,275</u>	<u>-</u>	<u>701,988</u>
Total expenditures	<u>25,673</u>	<u>390,493</u>	<u>2,651,754</u>	<u>122,629</u>	<u>3,190,549</u>
Excess (deficiency) of					
revenues over expenditures	-	-	293	-	293
Other financing uses:					
Transfer out	<u>-</u>	<u>-</u>	<u>(293)</u>	<u>-</u>	<u>(293)</u>
Net change in fund balance	-	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**INTERNAL CONTROL,
COMPLIANCE,
AND
OTHER MATTERS**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the Police Jury
 Vermilion Parish
 Abbeville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Vermilion Parish Police Jury (the Police Jury), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Vermilion Parish Police Jury's, basic financial statements and have issued our report thereon dated June 5, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Police Jury's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Vermilion Parish Police Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of the Police Jury's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of current and prior year audit findings and management's corrective action plan, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Police Jury's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 12-1 to be a material weakness.

A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 12-2 through 12-3.

Vermilion Parish Police Jury Response to Findings

The Vermilion Parish Police Jury's response to the findings identified in our audit are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. Vermilion Parish Police Jury's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
June 5, 2013

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Members of the Police Jury
Vermilion Parish
Abbeville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Vermilion Parish Police Jury's (the Police Jury) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Police Jury's major federal programs for the year ended December 31, 2012. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Vermilion Parish Police Jury's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Police Jury's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Police Jury's compliance.

Opinion on Each Major Federal Program

In our opinion, the Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Police Jury is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Police Jury's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Police Jury's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
June 5, 2013

VERMILION PARISH POLICE JURY

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass - Through Identifying No.	Expenditures
United States Department of Community Planning and Development, Department of Housing and Urban Development - Passed through State of Louisiana Division of Administration, Office of Finance and Support Services			
Community Development Block Grants/State's Program *	14.228	701783	140,079
Community Development Block Grants/State's Program *	14.228	666689	390,493
Community Development Block Grants/State's Program *	14.228	699663	25,673
Community Development Block Grants/State's Program *	14.228	683851	2,511,968
Community Development Block Grants/State's Program *	14.228	699737	122,629
			<u>3,190,842</u>
United States Department of Interior			
Coastal Impact Assistance Program (CIAP)	15.668	F12AF70088	470
Coastal Impact Assistance Program (CIAP)	15.668	F12AF70010	2,324
Coastal Impact Assistance Program (CIAP)	15.668	F12AF70084	5,573
Coastal Impact Assistance Program (CIAP)	15.668	F12AF70077	702
Coastal Impact Assistance Program (CIAP)	15.668	F12AF70106	727
Coastal Impact Assistance Program (CIAP)	15.668	F12AF70192	31,834
Coastal Impact Assistance Program (CIAP)	15.668	F12AF70104	51,103
Total United States Department of Interior			<u>92,733</u>
United States Department of Transportation and Development - Passed through State of Louisiana, Office of Community Development			
Public Transportation for Non-urbanized Areas	20.509	RU18-57-12	81,172
Public Transportation for Non-urbanized Areas	20.509	RU18-57-13	31,932
			<u>113,104</u>
United States Department of Energy - Passed through State of Louisiana Department of Natural Resources			
Energy Efficiency and Conservation Block Grant Program (EECBG) ARRA	81.128	EEA-1055	<u>25,637</u>

(continued)

VERMILION PARISH POLICE JURY

Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass - Through Identifying No.	Expenditures
United States Department of Homeland Security - Passed through State of Louisiana Military Department of Homeland Security and Emergency Preparedness			
Hazard Mitigation Grant *	97.039	1607-113-0001	\$ 525,566
Hazard Mitigation Grant *	97.039	1603-113-0006	188,689
Hazard Mitigation Grant *	97.039	1603-113-0010	35,643
Hazard Mitigation Grant *	97.039	1603-113-0009	247,129
Hazard Mitigation Grant *	97.039	1603-113-0011	10,535
Hazard Mitigation Grant *	97.039	1603-113-0002	180,863
Hazard Mitigation Grant *	97.039	1603-113-0008	205,000
Hazard Mitigation Grant *	97.039	1786-113-0005	106,413
Hazard Mitigation Grant *	97.039	1786-113-0001	38,213
Hazard Mitigation Grant *	97.039	SRL-PJ-06-LA-2011-00	54,971
Hazard Mitigation Grant *	97.039	SRL-PJ-06-LA-2012-00	10,000
			<u>1,603,022</u>
Emergency Management Performance Grants	97.042	2011-EP-00058	25,214
Emergency Management Performance Grants	97.042	2010-EP-00058	40,668
			<u>65,882</u>
Homeland Security Grant Program	97.067	2010-SS-T0-0043	<u>150,099</u>
Total Department of Homeland Security			<u>1,819,003</u>
			<u>\$ 5,241,319</u>

* Denotes major program.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the federal grant activity of the Vermilion Parish Police Jury (the Police Jury). The Police Jury reporting entity is defined in Note 1 to the basic financial statements for the year ended December 31, 2012. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The following programs are considered a major federal program of the Police Jury: United States Department of Community Planning and Development, Department of Housing and Urban Development: Community Development Block Grants/State's Program and United States Department of Homeland Security: Hazard Mitigation Grant.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements for the year ending December 31, 2012.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Schedule of Findings and Questioned Costs
Year Ended December 31, 2012

Part I. Summary of Auditor's Results:

1. An adverse opinion was issued on the financial statements.
2. No significant deficiencies in internal control were disclosed by the audit of the basic financial statements.
3. Instances of noncompliance material to the financial statements which would be required to be reported in accordance with Government Auditing Standards, were disclosed by the audit of the financial statements.
4. No significant deficiencies in internal control over the major program were disclosed by the audit of the basic financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no findings required to be reported under Section 510(a) of Circular A-133.
7. The major programs were:

United States Department of Community Planning and Development, Department of Housing and Urban Development, Passed through the State of Louisiana Division of Administration, Office of Finance and Support Services: Community Development Block Grants/State's Program, CFDA 14.228
United States Department of Homeland Security, Passed through State of Louisiana Military Department of Homeland Security and Emergency Preparedness: Hazard Mitigation Grant, CFDA 97.039
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2012

Part II. Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

A. Internal Control Findings –

See internal control finding 12-1 on the schedule of current and prior year audit findings and management's corrective action plan.

B. Compliance Findings –

See compliance findings 12-2 through 12-3 on the schedule of current and prior year audit findings and management's corrective action plan.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings and questioned costs related to federal programs that are required to be reported under the above guidance.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2012

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

12-1 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2004

CONDITION: The Vermilion Parish Police Jury did not have adequate segregation of accounting functions within the Tourist Commission Office.

CRITERIA: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU§314.43 defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. “

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT§501.03 states:

“An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

CAUSE: The cause of the condition is the fact that the department does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2012

MANAGEMENT'S CORRECTIVE ACTION PLAN: Ms. Linda Duhon, Administrator, determined that it is not cost effective to achieve complete segregation of duties within the accounting department for the Tourists Commission Office. No plan is considered necessary.

B. Compliance

12-2 Overtime pay

Fiscal year finding initially occurred: 2010

CONDITION: Vermilion Parish Police Jury incorrectly calculated and paid overtime hours. Overtime hours were calculated using vacation, sick, and holiday leave as hours worked.

CRITERIA: The Fair Labor Standards Act (FLSA) requires overtime pay at a rate of not less than one and one-half times an employee's regular rate of pay after 40 hours of work in a workweek.

CAUSE: Overtime hours were calculated using vacation, sick, and holiday leave as hours worked.

EFFECT: The Police Jury overpaid several employees.

RECOMMENDATION: We recommend that the Police Jury implement policies and procedures to ensure that overtime pay is being calculated properly.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Ms. Linda Duhon, Administrator, has immediately implemented corrective action. An excel spreadsheet has been created to ensure that overtime pay is being calculated properly. A third party is monitoring that the calculations are being used properly.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2012

12-3 Budget noncompliance

Fiscal year finding initially occurred: 2012

CONDITION: Expenditures of the 1978 Sales Tax Fund exceeded budgeted expenditures by more than 5% and the revenues of the Royalty Road Fund failed to meet budgeted revenues by more than 5%.

CRITERIA: LSA-RS 39:1311 et seq, Budgetary Authority and Control, provides for the following:

“A. The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or administrative officer for a political subdivision subject to public participation shall advise the governing authority or independently elected official in writing when:

(1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

(2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

(3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.”

CAUSE: The condition is a result of failure to properly monitor the revenues and expenditures of the Royalty Road Fund and the 1978 Sales Tax Fund, respectively.

EFFECT: The Police Jury may not prevent and/or detect compliance violations due to revenue shortfalls or over expenditure of the appropriated budget, and/or errors or irregularities on a timely basis.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2012

RECOMMENDATION: The Vermilion Parish Police Jury should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Ms. Linda Duhon, Administrator, has concurred with the Treasurer to periodically compare actual activity to budgeted amounts and adopt amendments as necessary to cause compliance with state statute.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

11-1 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Vermilion Parish Police Jury does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

CURRENT STATUS: Resolved.

11-2 Inadequate Segregation of duties

CONDITION: The Vermilion Parish Police Jury did not have adequate segregation of accounting functions within the Tourist Commissions Office.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 12-1.

11-3 Misappropriation of Funds

CONDITION: During a test of building permits it was noted that permit fees were not being accurately recorded and all monies collected were not being deposited.

VERMILION PARISH POLICE JURY
Abbeville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2012

RECOMMENDATION: The Vermilion Parish Police Jury has contacted the District Attorney's office and the Legislative Auditor's office and informed them of the theft of funds. It is recommended that the Vermilion Parish Police Jury implement internal control procedures over collection of funds for permit fees and the adjustments to permit fees.

CURRENT STATUS: Resolved.

B. Compliance

11-4 Overtime pay

CONDITION: Vermilion Parish Police Jury incorrectly calculated and paid overtime hours. Overtime hours were calculated using vacation, sick, and holiday leave as hours worked.

RECOMMENDATION: We recommend that the Police Jury implement policies and procedures to ensure that overtime pay is being calculated properly.

CURRENT STATUS: Unresolved. See item 12-2.

11-5 Adoption of Budget

CONDITION: Vermilion Parish Police Jury did not adopt a budget for one of its Special Revenue Funds.

RECOMMENDATION: The Vermilion Parish Police Jury should ensure that a budget is adopted for all General Fund and all Special Revenue Funds as required by LSA RS 39:1301 – 39:1316.

CURRENT STATUS: Resolved.